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Related CF 01-2260  
CP 2

HOUSING

MOTION

L.A. Family Housing Corporation (LAFH) was established in 1983 and has grown to become the largest provider of affordable housing in the San Fernando Valley. LAFH helps families transition out of homelessness and poverty through a continuum of housing enriched with supportive services. Today, LAFH has developed and operates 22 properties, including three transitional living centers and 19 permanent affordable apartment buildings. LAFH serves more than 3,500 people annually through its multiple housing and supportive service programs, and has served over 120,000 people since its inception.

LAFH has requested the Los Angeles Housing and Community Investment Department (HCIDLA), as Housing Successor Agency responsible for managing all former CRA/LA housing assets, to modify the Alamo Hotel project located at 5120 Klump Avenue, to enhance the livability of the structure. Specifically, LAFH plans to convert the Alamo Hotel units into permanent supportive housing for formerly homeless households. This will be accomplished by reducing the number of restricted units from 26 to 14. The reduction in units will allow LAFH to: 1) improve the habitability of each unit by adding bathrooms and kitchenettes; 2) provide a supportive services office; and 3) provide a communal meeting space. In addition, LAFH has obtained \$800,000 in funding from various foundations and the County of Los Angeles to convert the single room occupancy units into permanent supportive housing.

**I THEREFORE MOVE** that the Council take the following actions relative to the Alamo Hotel project: 1) Request the City Attorney, with the assistance of the Los Angeles Housing and Community Investment Department (HCIDLA), to prepare the necessary agreements with Los Angeles Family Housing Corporation to allow for the modifications to the Alamo Hotel project located at 5120 Klump Avenue, North Hollywood, CA 91601, as described in the text of this Motion; 2) Authorize the General Manager of HCIDLA, or his designee, to execute all ancillary documents required to effectuate this transaction including: amendments to the existing (CRA/LA) regulatory agreement for the Alamo Hotel, and 3) Adopt the attached Resolution to approve the Alamo Hotel Replacement Housing Plan prepared by HCIDLA.

PRESENTED BY:

*Paul Kretz for Paul Krekorian*  
PAUL KREKORIAN  
Councilmember, 2<sup>nd</sup> District

SECONDED BY:

*[Signature]*

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## RESOLUTION

WHEREAS, pursuant to the provisions of the California Community Redevelopment Law, Health and Safety Code Section 33413.5, the staff of the City of Los Angeles, a municipal corporation, acting on its own behalf, and by and through the Los Angeles Housing and Community Investment Department as successor agency to the housing assets and housing functions of the Community Redevelopment Agency of the City of Los Angeles under Section 34176(a) of the California Health and Safety Code pursuant to the Agreement regarding CRA/LA Affordable Housing Assets and Functions with the effective date of April 5, 2013("HCIDLA"), has prepared a Replacement Housing Plan, a copy of which is attached hereto as Exhibit A, for rehabilitation and reconfiguration of the existing twenty-four (24) single occupancy dwelling units into fourteen (14) permanent residency studio apartments located within the Council District Two North Hollywood Project Area at 5120 Klump Avenue, North Hollywood ("Alamo Hotel"); and

WHEREAS, the City of Los Angeles, adopting the replacement housing plan for twelve dwelling units to be removed from the housing market in connection with the proposed rehabilitation and reconfiguration of the existing twenty-four single room occupancy units into fourteen studio apartments for very low-income and extremely low-income residential hotel located at 5120 Klump Ave., North Hollywood project area and consistent with the North Hollywood Redevelopment Plan; and

WHEREAS, Los Angeles Family Housing Corporation ("LAFH") operates the Alamo Hotel and has obtained \$800,000 in funding from various foundations and the County of Los Angeles to implement the rehabilitation and reconfiguration of the Alamo Hotel; and

WHEREAS, for a reasonable time prior to the adoption of this Resolution, the City has made the Alamo Hotel Replacement Housing Plan available to the public in draft form.

NOW, THEREFORE, BE IT RESOLVED that by the adoption of this Resolution, the Council of the City of Los Angeles hereby finds the proposed Alamo Hotel Replacement Housing Plan to be in conformity with the provisions of the California Community Redevelopment Law and the Amended Redevelopment Plan for the North Hollywood Redevelopment Project, and hereby approves and adopts the attached (Exhibit A) the Replacement Housing Plan for the Alamo Hotel located at 5120 Klump Avenue, North Hollywood.

## **EXHIBIT A**

### **REPLACEMENT HOUSING PLAN ALAMO HOTEL – 5120 KLUMP AVENUE**

The Los Angeles Housing and Community Investment Department (HCIDLA) is the Successor Agency responsible for managing all former Community Redevelopment Agency of City of Los Angeles (CRA/LA) housing assets. To comply with California Health and Safety Code Section 33413.5, which requires the adoption, by resolution, of a replacement housing plan, HCIDLA has prepared this plan. As presented here, the plan will explain the planned reconfiguration of the Alamo Hotel and describe the location, timetable and financing for the future units that will serve as the replacement units. HCIDLA has made this document available for public review and comment on the HCIDLA website.

#### **I. INTRODUCTION**

On November 29, 2001, the CRA/LA provided a loan for \$660,000 to L.A. Family Housing Corporation (LAFH) from the Agency's Low and Moderate Income Housing Fund for the rehabilitation and reconfiguration of 26 single-room occupancy apartment units located at 5120 Klump Avenue, North Hollywood, CA 91601. This project, known as the "Alamo Hotel," is located in the CRA/LA North Hollywood Project Area.

To enhance the livability of the structure, LAFH will again reconfigure the housing units at the Alamo Hotel. Specifically, LAFH plans to convert Alamo Hotel's units into permanent supportive housing for formerly homeless households, which will result in the reduction of the number of restricted units from 26 to 14. This will allow the developer to: 1) improve the habitability of each unit by adding bathrooms and kitchenettes; 2) provide a supportive services office; 3) provide a communal meeting space. LAFH has obtained \$800,000 in funding from foundations and the County of Los Angeles to convert the SRO units into permanent supportive housing.

#### **II. THE PROJECT**

On November 29, 2001, the CRA/LA entered into a loan agreement with LAFH to acquire the Alamo Hotel. The two-story development was originally built in 1924 with twenty-six 100 sq.ft. units and shared bathrooms on each floor. The loan was provided with the intent to promote affordable housing development in neighborhoods in need of revitalization. On February 5, 2003, the CRA/LA entered into a construction and permanent loan agreement with LAFH to finance the rehabilitation of the 26 unit development for future affordable housing consistent with the North Hollywood Redevelopment Plan.

A condition of the CRA/LA loan restricted the use and occupancy of the Alamo Hotel to 26 units of affordable housing for very low and very-very low income households. Since the initial project rehabilitation in 2003, it has become apparent that the physical design is no longer an appropriate model of housing for the target population and the property has struggled with high vacancy rates. To address the current condition of the development, LAFH will convert the SRO units into permanent supportive housing that conforms to the best practices model of housing homeless households. The renovations will provide 14 studio apartments equipped with their own bathrooms and kitchenettes, community meeting space, plus a manager's unit. Due to existing vacancies, no tenants will be displaced through these actions.

HCIDLA granted the Alamo Hotel a “Non-profit Exemption” from the Residential Stabilization Ordinance. HCIDLA has approved an Application for Clearance and the Department of Building and Safety has issued a permit that allows for the conversion and reduction of units.

### III. DESCRIPTION OF DWELLING UNITS TO BE DEMOLISHED

The rehabilitation work will result in the demolition or removal of 12 existing units (12 bedrooms) at the Extremely Low income affordability level, as shown in the following “Table 1- Replacement Housing Need.” Table 1 shows the income category and bedroom counts for the 12 units to be demolished or removed, the dates the units are scheduled to be demolished or removed and the anticipated replacement date, within four years of their demolition or removal.

TABLE 1- REPLACEMENT HOUSING NEED								
PROJECT ADDRESS	Dwelling Units	Bed-rooms	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Anticipated Removal	Anticipated Replacement Date
5120 Klump Ave.	12	12	12	-	-	-	June, 2014	June, 2018

### IV. REPLACEMENT HOUSING REQUIREMENTS

Health and Safety Code Section 33413(a) requires that 100 percent of the replacement units shall be made available at or below the same affordability level of the destroyed or removed units. Health and Safety Code Section 33413(b)(2)(A)(ii) requires a replacement ratio of two units for every one unit removed if the replacement occurs outside of the redevelopment project area. Therefore the required total number of Extremely Low Income replacement housing units will be 24, if the units are located in a project outside the project area, and 12 if they are located within the North Hollywood Project Area.

### V. GENERAL LOCATION OF REPLACEMENT HOUSING, TIMETABLE AND FINANCING

An adequate means of financing the development of replacement housing units exists. The Los Angeles Department of City Planning has projected a net gain of 500 affordable housing units by 2021 in the Housing Element that was adopted December 3, 2013. This production count is based on approximately \$25 million in Federal HOME funds made available through the City’s Affordable Housing Trust Fund and \$150 million in funding from other public sources, private lenders and tax credit investors. HCIDLA will restrict either 12 or 24 units at income levels consistent with the original development agreement for the Alamo Hotel within four years (no later than June, 2018) of completion of the reconfiguration of the project. These units will be located within the City of Los Angeles.

### VI. ARTICLE XXXIV APPROVAL

The production of the replacement affordable housing units is exempt from the provisions of Article XXXIV of the California Constitution pursuant to Health and Safety Code Section 37001(f), as the development consists of the replacement of existing dwelling units previously occupied by lower income households.